



**City of Santa Barbara**  
Airport Department

**DATE:** May 21, 2014  
**TO:** Airport Commission  
**FROM:** Hazel Johns, Acting Airport Director *HJ*  
**SUBJECT:** Lease Agreement – MAJCO Corporation, dba Big Brand Tire

---

**RECOMMENDATION:**

That Commission approve and authorize the Acting Airport Director to execute a fifteen-year Lease Agreement, with three five-year options, with MAJCO Corporation, a California Corporation, dba Big Brand Tire, for 29,620 square feet of land, including 4,484 square feet of Building 370, at 6010 Hollister Avenue, at the Santa Barbara Airport, effective upon the adoption of the enabling ordinance, for a monthly rental of \$7,533.

**DISCUSSION:**

The subject Premises is located north of Hollister Avenue in an Airport Commercial (AC) zone.

Big Brand Tire has been operating in the Santa Barbara area for over 30 years. The offer was negotiated and vetted, on behalf of the Airport, by the Radius Group, which was chosen to represent the Airport through a competitive Request for Qualifications for Real Estate Broker Services conducted in the Fall of 2013.

Big Brand currently has locations at 523 N. Milpas Street in Santa Barbara and 99 S. Fairview Avenue in Goleta. They propose to relocate their Goleta location to the former tire shop at 6010 Hollister Avenue, at the Airport. The site occupies the corner of Fairview and Hollister Avenues and has better visibility than their current location. The use conforms to existing zoning.

Big Brand proposes to make interior and exterior improvements to the property over the initial term of the lease to bring it up to corporate standards. The location of the building in a floodway restricts the improvements to a maximum capital improvement of 50% of the value of the building every two years (approximately \$448,400). Therefore, the lease will also contain a provision allowing five months free rent, to be applied during the initial term of the lease, in months 1, 2, 12, 13, and 24, insuring that the appropriate improvements and upgrades to the facility can be made without triggering the removal and reconstruction of the building.

The proposed monthly rental of \$7,533 is a modified gross rent and is comparable to other similar business on the south coast. The rental will be adjusted annually beginning on the anniversary date of the lease, using the Consumer Price Index for the Los Angeles, Riverside, Anaheim, All Urban Consumers (CPI) published by the Bureau of Labor Statistics, Department of Labor. The amount of the increases shall not be less than 2% nor greater than 5%. The rent

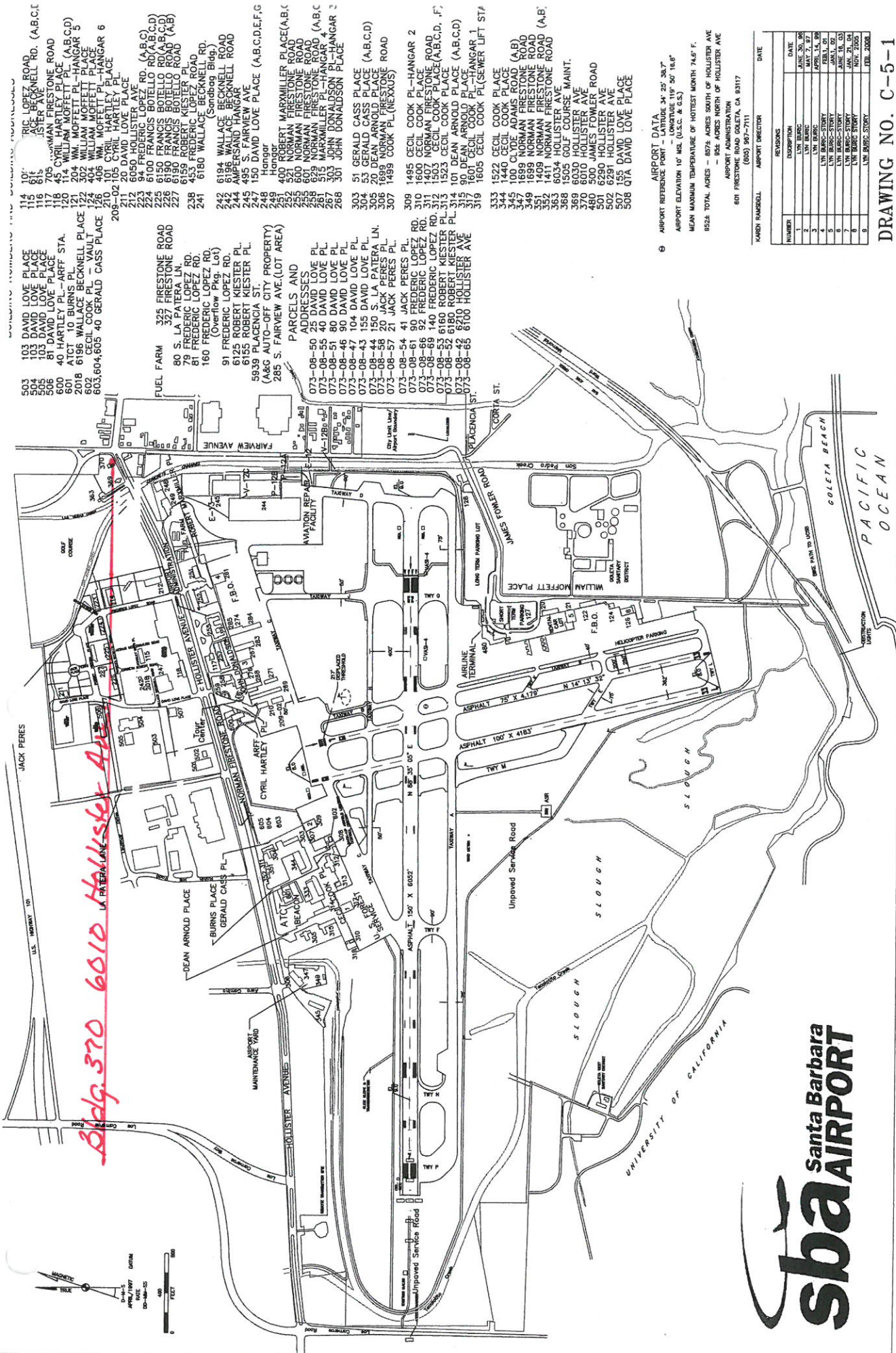
will also be adjusted to Market Rate every five years, to maintain compliance with FAA Grant Assurances which require all Airport rentals to be at market rate.

The proposed Lease Amendment has been reviewed and determined to be exempt from environmental review. Lease Review Subcommittee recommends approval.

**PREPARED BY:** Business & Property Division

**ATTACHMENT:** Map





DRAWING NO. C-5-1

6 AIRPORT DATA  
 AIRPORT REFERENCE POINT - LATITUDE 34° 25' 38.7"  
 AIRPORT ELEVATION 10' MSL (U.S.C. & G.S.)  
 MEAN MAXIMUM TEMPERATURE OF HOTTEST MONTH 74.6° F.  
 852.6 TOTAL ACRES - 807.6 ACRES SOUTH OF HOLLISTER AVE  
 - 102.6 ACRES NORTH OF HOLLISTER AVE  
 AIRPORT ADMINISTRATION  
 801 FIRESTONE ROAD GOLETA, CA 93117  
 (805) 987-7111

REVISIONS	DATE
1	JUNE 30, 85
2	JUNE 30, 85
3	JUNE 30, 85
4	APRIL 14, 86
5	APRIL 14, 86
6	APRIL 14, 86
7	APRIL 14, 86
8	APRIL 14, 86
9	APRIL 14, 86
10	APRIL 14, 86
11	APRIL 14, 86
12	APRIL 14, 86
13	APRIL 14, 86
14	APRIL 14, 86
15	APRIL 14, 86
16	APRIL 14, 86
17	APRIL 14, 86
18	APRIL 14, 86
19	APRIL 14, 86
20	APRIL 14, 86
21	APRIL 14, 86
22	APRIL 14, 86
23	APRIL 14, 86
24	APRIL 14, 86
25	APRIL 14, 86
26	APRIL 14, 86
27	APRIL 14, 86
28	APRIL 14, 86
29	APRIL 14, 86
30	APRIL 14, 86
31	APRIL 14, 86
32	APRIL 14, 86
33	APRIL 14, 86
34	APRIL 14, 86
35	APRIL 14, 86
36	APRIL 14, 86
37	APRIL 14, 86
38	APRIL 14, 86
39	APRIL 14, 86
40	APRIL 14, 86
41	APRIL 14, 86
42	APRIL 14, 86
43	APRIL 14, 86
44	APRIL 14, 86
45	APRIL 14, 86
46	APRIL 14, 86
47	APRIL 14, 86
48	APRIL 14, 86
49	APRIL 14, 86
50	APRIL 14, 86
51	APRIL 14, 86
52	APRIL 14, 86
53	APRIL 14, 86
54	APRIL 14, 86
55	APRIL 14, 86
56	APRIL 14, 86
57	APRIL 14, 86
58	APRIL 14, 86
59	APRIL 14, 86
60	APRIL 14, 86
61	APRIL 14, 86
62	APRIL 14, 86
63	APRIL 14, 86
64	APRIL 14, 86
65	APRIL 14, 86
66	APRIL 14, 86
67	APRIL 14, 86
68	APRIL 14, 86
69	APRIL 14, 86
70	APRIL 14, 86
71	APRIL 14, 86
72	APRIL 14, 86
73	APRIL 14, 86
74	APRIL 14, 86
75	APRIL 14, 86
76	APRIL 14, 86
77	APRIL 14, 86
78	APRIL 14, 86
79	APRIL 14, 86
80	APRIL 14, 86
81	APRIL 14, 86
82	APRIL 14, 86
83	APRIL 14, 86
84	APRIL 14, 86
85	APRIL 14, 86
86	APRIL 14, 86
87	APRIL 14, 86
88	APRIL 14, 86
89	APRIL 14, 86
90	APRIL 14, 86
91	APRIL 14, 86
92	APRIL 14, 86
93	APRIL 14, 86
94	APRIL 14, 86
95	APRIL 14, 86
96	APRIL 14, 86
97	APRIL 14, 86
98	APRIL 14, 86
99	APRIL 14, 86
100	APRIL 14, 86

**sba** Santa Barbara  
**AIRPORT**